

DEC 20 1995

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Mary Gade, Director  
Illinois Environmental Protection Agency  
2200 Churchill Road  
Springfield, Illinois 62706

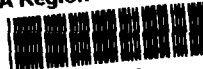
Dear Mary:

The purpose of this letter is to stress the importance of the State of Illinois providing the required ten percent cost share for the additional work to be initiated this year at the NL Industries Site in Granite City, Illinois (NL Site). Our current information suggests that there is a high probability that the National Superfund budget will support funding an additional \$2 million in residential cleanup work at the NL site during FY 96, and a good possibility that it will support funding all or a portion of the estimated \$8 million for the waste pile cap and the groundwater containment system. Consequently, at a minimum, we would need the State to provide \$200,000 toward completion of the residential cleanup. The State's ability to provide the additional \$800,000 would increase the likelihood of the other elements of the cleanup proceeding during FY 96.

Based on current usage rates and the amount of funding remaining for the NL Site, work on cleaning up residential yards will cease entirely in April 1996. The impact of work stoppage will be immense. First, several hundred thousand dollars will be spent just in demobilization and remobilization costs. Second, even if the current contractor can be retained, personnel that have worked on the job over two years will be assigned to other remedial jobs and may not be able to return to the NL Site. Last, a significant delay (up to eight months) will occur in remediating the residential yards, and children will continue to be exposed to unacceptably high levels of lead contamination in the interim.

Please contact me as soon as possible regarding this matter. Given historic processing times for the State Superfund Contract and the Interagency Agreement with the U.S. Army Corps of Engineers, this issue must be resolved by the end of January to

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ensure that a shutdown of remedial work at the NL Site does not occur. Additionally, the difficulty in securing State match money has serious implications for all future Superfund-financed projects in the State of Illinois.

Sincerely yours,

Original Signed by  
David A. Ullrich

Valdas V. Adamkus  
Regional Administrator

bcc: J. Mayka  
B. Bradley  
J. Oaks  
S. Bianchin  
S. Mulroney, CS-29A